Legislators have paused, adjourned until March 30, 2020

Waiting on Colorado Supreme Court decision on legislative schedule

Joint Budget Committee has also paused; to date, no discussion to implement rescissions in 2019/2020
February 2020 interim financial reports show potential underspend for the General Fund of $10M–$14M from vacancy savings, discretionary savings, and some ongoing savings from salary estimates.

COVID–19 costs to be covered in 2019/2020 (list could change):

- Overtime for classified staff working
- Revenue loss from tuition programs with ongoing staff expenditures; child care and food service
- Additional supplies for remote learning
- Some savings from utilities, fuel and relief sources
- Early estimates of COVID costs: $15M–$20M (not including savings or relief packages)
Governor extended due date to pay property taxes from April 15 to July 15

- School district property tax revenues could be delayed
- Reviewing impacts to cash flows and potential need, if any, for short term borrowing
- Debt service payments are covered for June 2020
Ongoing monitoring of financial position

- March quarterly results will refine underspend estimate but have little COVID–19 expenditures; will have March property tax collections

- April will have full payroll cycle post COVID–19 closure and some expenditures; property tax impacts could occur

- Awaiting further information on relief funding from:
  - FEMA – some potential, limited funding
  - Grants relief
  - CARE’s Act - $13.5B for schools
1. Supplies for cleaning and sanitizing schools and school district buildings
2. Efforts to help students from low-income families, students with disabilities, English learners, “racial and ethnic minorities,” homeless students, and students in foster care
3. Coordinating long-term school closures, including meals, technology, and serving students with disabilities
4. Buying technology, including connectivity, to help students continue learning, including adaptive equipment for students with disabilities

Continued
5. Items principals need “to address the needs of their individual schools”

6. Mental health services

7. Planning and providing in-person or online summer learning programs and after-school programs

8. Continuing to provide district-level services and employ staffers
2020/2021 ADJUSTMENTS: 3/28/2020
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>State funding increase</td>
<td>$0.0</td>
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<tr>
<td>5A mill levy inflationary increase</td>
<td>.6</td>
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<tr>
<td>Retirement/turnover savings (credit to expenditures)</td>
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<tr>
<td><strong>Total 2020/2021 Estimated New Available Resources</strong></td>
<td>$6.6</td>
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<tr>
<td>Mandated PERA increase .5%</td>
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<tr>
<td>Loss of interest</td>
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<tr>
<td>Loss of specific ownership tax</td>
<td>1.5</td>
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<tr>
<td>Loss of revenue from 350 student decrease</td>
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<tr>
<td>Unallocated / reduction needed to balance budget</td>
<td>(2.2)</td>
</tr>
<tr>
<td><strong>Total Expenditure/Revenue Adjustment Assumptions</strong></td>
<td>$6.6</td>
</tr>
</tbody>
</table>
RECOMMENDED IMMEDIATE ACTION

- Protect reserves – can be used to weather additional rescissions, mid-year adjustments or postpone harmful reductions

- Implement central hiring review
  - Hiring freezes for schools NOT implemented at this time

- Hold on promotions

- Discourage entering into recurring cost agreements
NEXT STEPS

- Budget team builds Proposed Budget through April
- Additional BOE meeting may be needed from changes in legislation or current supplemental budget adjustments
- Further direction on May 7
- Budget adoption is scheduled for June 4
QUESTIONS